

Annual Return (AR30) form

Section 1 – About this form

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965) or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1969). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register <https://mutuals.fca.org.uk>.

For guidance on our registration function for societies under the Co-operative and Community Benefit Societies Act 2014, which includes guidance on the requirement to submit an Annual Return, please see here: <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

Section 2 – About this application

Society name	Ynni Teg Cyfyngedig
Register number	7637
Registered address	17 West Bute Street, Cardiff Bay, Cardiff
Postcode	CF10 5EP

2.1 What date did the financial year covered by these accounts end?

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Section 3 – People

3.1 Please provide the names of the people who were directors of the society during the financial year this return covers. Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of director	Month and year of birth	
Robert Proctor	November	1980
Dan McCallum	January	1967
Grant Peisley	March	1972
Jeremy Thorp	December	1965

Continue on to a separate sheet if necessary.

3.2 All directors must be 16 or older. Please confirm this is this case:

All directors are aged 16 or over ☒

3.3 Societies are within the scope of the Company Directors Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:

No director is disqualified ☒

3.4 Please state any close links which any of the directors has with any society, company or authority. 'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

Dan McCallum is a Director of Egni Cydweithredol Cyfyngedig, and Awel Limited.

Grant Peisley is a Director of Community Energy Wales; Ynni Lleu C.B.C.; Ynni Llyn C.B.C.; and Datblygiadau Egni Gwledig C.B.C.

Jeremy Thorp is a Director of The Small Wind Co-operative Limited; Robert Owen Renewables Limited; Circular Economy Mid Wales Limited, Bike to the Future CIO and Community Energy Wales.

3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers. Societies must have a secretary.

Name of secretary	Month and year of birth	
Robert Proctor	November	1980

Section 4 – Financial information

4.1 Please confirm that:

- accounts are being submitted with this form ☒
- the accounts comply with relevant statutory and accounting requirements ☒
- the accounts are signed by two members and the secretary (3 signatures in total) ☒

4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.

Number of members	205
Turnover	308775
Assets	1862406
Number of employees (if any)	None
Share capital	505354
Highest rate of interest paid on shares (if any)	N/A

4.3 What Standard Industrial Classification code best describes the society's main business? Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes here: <http://resources.companieshouse.gov.uk/sic/>

35110 – Production of Electricity

Section 5 – Audit

Societies are required to appoint an auditor to audited unless they are small or have disapplied this requirement. For further guidance see chapter 7 of our guidance: <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

5.1 Please select the audit option the society has complied with:

- Full professional audit ☐
- Auditor's report on the accounts ☐
- Lay audit ☐
- No audit ☒

5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements ☒

5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

Yes ☐

Not applicable ☒

The information below impacts the level of audit required of the society's accounts. Please provide answers to the following questions.

5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?

Yes ☐

No ☒

5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.

Not applicable ☒

OSCR number:	
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5.6 Is the society a housing association?

No ☒ Go to **section 6**

Yes ☐ Go to question **5.7**

5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:

		Registration number
Homes and Communities Agency	<input type="checkbox"/>	
Scottish Housing Regulator	<input type="checkbox"/>	
The Welsh Ministers	<input type="checkbox"/>	
Department for Communities (Northern Ireland)	<input type="checkbox"/>	

Section 6 – Subsidiaries

6.1 Is the society a subsidiary of another society?

Yes ☐

No ☒

6.2 Does the society have one or more subsidiaries? (As defined in sections 100 and 101 of the Act)

Yes ☐ Continue to question 6.3

No ☒ Continue to Section 7

6.3 If the society has subsidiaries, please provide the names of them below (or attach an additional sheet)

Registration Number	Name

6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions: (the society must have written authority from us to exclude a subsidiary from group accounts)

Registration Number	Name	Reason for exclusion

Section 7– Condition for registration

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); **or**
- are conducting business for the benefit of the community ('community benefit society').

A society must answer the questions set out in either Section 7A or Section 7B of this form, depending on which condition of registration it meets.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

Section 7A - Co-operative societies

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

7A.1 What is the business of the society? For example, did you provide housing, manufacture goods, develop IT systems etc.

7A.2 Please describe the members' common economic, social and cultural needs and aspirations. In answering this question, please make sure it is clear what needs and aspirations members had in common.

7A.3 How did the society's business meet those needs and aspirations?

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

7A.4 How did members democratically control the society? For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

7A.5 What did the society do with any surplus or profit? For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

Section 7B - Community benefit societies

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

7B.1 What is the business of the society? For example, did you provide social housing, run an amateur sports club etc.

The core business of the Society is the production of low-carbon electricity from a wind turbine. The electricity produced is sold to the Grid.

7B.2 Please describe the benefits to the community the society delivered? Here we are looking to see *what* the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

The wind turbine produced 1938 MWh of low-carbon electricity in 2018, thereby contributing to the mitigation of the effects of climate change by delivering over 2.41 tonnes of carbon savings per member. The society has gifted to date £10,250 to the local primary school for development of outdoor learning spaces, £3,000 to the local church for upgrade of the electrical and heating systems, and £1750 to the local community hall for repair of the building.

7B.3 Please describe how the society's business delivered these benefits? The business of the society must be conducted for the benefit of the community. Please describe *how* the society's business (as described in answer to question 7B.1) provided benefit to the community.

The low carbon electricity produced by the wind turbines displaced the requirement for conventionally-generated electricity, thereby displacing carbon emissions and helping to mitigate the effects of climate change. The low carbon electricity produced by the wind turbines also generated income to the Society, providing funds to pay into a community fund to benefit the local community.

7B.4 Did the society work with a specific community, and if so, please describe it here? For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the needs of any defined community, the society should not inhibit the benefit to the community at large.

The Society's activities all occurred within the immediate geographical area around the turbine in rural Carmarthenshire, and the community benefits were provided in this area. The community council were consulted and assisted with decision making about the beneficiaries of the fund. The benefits provided through the mitigation of the effects of climate change are arguably distributed across a far wider area however. In the future, it is anticipated that some of the future fund and resources will be used to support the development of more community renewable energy schemes.

7B.5 What did the society do with any surplus or profit? For instance, did you donate the money; did money get reinvested in the business; put into reserves; used for some other purpose?

There was no surplus.

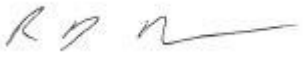
7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest. Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.

Ynni Teg obtains some administrative support services from Sharenergy Co-operative Limited, who are the employer of Ynni Teg Director Jeremy Thorp. Sharenergy provide similar services to a number of Societies, although Ynni Teg is one of very few where a Sharenergy employee is on the Board.

Community Energy Wales were the driving force behind the establishment of the society and provided significant resource to get the turbine installed before the deadline of the Feed in Tariff. The rules of the society specify that Community Energy Wales can nominate two people to act as directors on the board of Ynni Teg. The founding board of Ynni Teg are all associated with Community Energy Wales (three directors and the manager of Community Energy Wales). Our share offer document has clearly laid out how much we expect to be put in our community fund. For the first round of distribution, the community council were consulted to make sure that the fund was distributed according to the wishes of the community.

Section 8– Declaration

The secretary of the society must complete this section.

Name	Robert Proctor
My signature below confirms that the information in this form is accurate to the best of my knowledge	
Signature 	
Position	Secretary & Director
Date	24/07/19

Section 9 – Submitting this form

Please submit a signed, scanned version of this form along with your accounts and any auditor's report by email to: mutualsannrtns@fca.org.uk.

Or you can post the form to:

Mutual Societies
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

This form is available on the Mutuels Society Portal:

<https://societyportal.fca.org.uk>

Registered as a Limited Company in England and Wales No. 1920623. Registered office as above.

Registered number
0007637

Ynni Teg Cyfyngedig
Report and Unaudited Financial Statements
31 December 2018

Ynni Teg Cyfyngedig
Report and accounts
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Ynni Teg Cyfyngedig
Society Information

Directors

Dan McCallum
Grant Peisley
Jeremy Thorp
Robert Proctor

Secretary

Robert Proctor

Registered office

17 Bute Street
Cardiff Bay
Cardiff
CF10 5EP

Registered number

0007637

Ynni Teg Cyfyngedig**Registered number:****0007637****Directors' Report**

The directors present their report and accounts for the period ended 31 December 2018.

Principal activities

The Society's principal activity during the year continued to be the production of community owned wind energy.

Directors

The following persons served as directors during the period:

Dan McCallum
Grant Peisley
Jeremy Thorp
Robert Proctor

Directors' responsibilities

The law governing Registered Societies requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the balance sheet date and of its income and expenditure for the year then ended. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the co-operative will continue in business.

The directors are responsible for keeping proper books of account such as are necessary to give a true and fair view of the society's state of affairs and to explain its financial transactions. The directors must also establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances, and hence they are also responsible for safeguarding the assets of the society and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Reporting Criteria

This report has been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

This report was approved by the board on 25 June 2019 and signed on its behalf.



Director's signature



Director's name

Ynni Teg Cyfyngedig
Revenue Account
for the period from 1 July 2017 to 31 December 2018

	Notes	2018 £
Turnover		308,775
Cost of sales		(3,464)
Gross surplus		305,311
Operating expenses		(244,269)
Operating surplus	3	61,042
Interest payable	4	(153,424)
Deficit before taxation		(92,382)
Tax on deficit		-
Deficit for the period		<u>(92,382)</u>

Ynni Teg Cyfyngedig
Balance Sheet
as at 31 December 2018

	Notes	2018 £
Fixed assets		
Tangible assets	5	1,573,860
Current assets		
Debtors	6	96,698
Cash at bank and in hand		191,848
		<u>288,546</u>
Creditors: amounts falling due within one year	7	(160,136)
Net current assets		128,410
Total assets less current liabilities		1,702,270
Creditors: amounts falling due after more than one year	8	(1,289,298)
Net assets		<u>412,972</u>
Capital and reserves		
Called up share capital		505,354
Absorbed Deficit		(92,382)
Shareholders' funds		<u>412,972</u>

The directors are satisfied that the Society is entitled to exemption from the requirement to obtain an audit under section 84 of the Co-operative and Community Benefit Societies Act 2014.

The members have not required the Society to obtain an audit in accordance with the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Co-operative and Community Benefit Societies Act 2014 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in the Co-operative and Community Benefit Societies Act 2014.

Approved by the board on 25 June 2019


 Director's signature

J. Tholey
 Director's name


 Director's signature [Secretary]

R O PROCTOR
 Director's name [Secretary]


 Director's signature

Gareth Tucker
 Director's name

Ynni Teg Cyfyngedig
Statement of Changes in Equity
for the period from 1 July 2017 to 31 December 2018

	Share capital	Revenue account	Total
	£	£	£
At 1 July 2017	-	-	-
Deficit for the financial year		(92,382)	(92,382)
Shares issued	505,354		505,354
At 31 December 2018	<u>505,354</u>	<u>(92,382)</u>	<u>412,972</u>

Ynni Teg Cyfyngedig
Notes to the Accounts
for the period from 1 July 2017 to 31 December 2018

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These have remained unchanged from the previous year and have been consistently applied within the accounts.

General information

Ynni Teg Cyfyngedig is a registered society incorporated in Wales within the United Kingdom. The address of the registered office is given on Page 1 of these financial statements. Ynni Teg Cyfyngedig meets the definition of a public benefit entity under FRS102.

Basis of preparation

These are the first financial statements prepared under FRS 102 Section1A - small entities and there were no material departures from that standard. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents Feed-in Tariff and other electricity generating income, net of value added tax where applicable, derived from the generation of electricity from renewable energy installations.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	4% straight line
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Taxation

There is no corporation tax due as the society will have significant trading losses due to capital allowances. We do not expect the advance capital allowances to reverse later on the project due to share interest deductions, which is why no deferred tax has been provided.

2 Employees

The average monthly number of persons (including directors) employed by the society during the year was 0 (2017 - 0).

3 Operating Surplus

	2018 £
This is stated after charging:	
Depreciation of tangible fixed assets	94,488
	<u>94,488</u>

Ynni Teg Cyfyngedig
Notes to the Accounts
for the period from 1 July 2017 to 31 December 2018

4 Interest Payable	2018
	£
Interest payable loans	153,424
	<u>153,424</u>

5 Tangible fixed assets

	Turbine	Lease	Total
	£	Premium	£
		£	
Cost			
Additions	<u>1,667,431</u>	<u>1,000</u>	<u>1,668,431</u>
At 31 December 2018	<u>1,667,431</u>	<u>1,000</u>	<u>1,668,431</u>
Depreciation			
Charge for the period	<u>94,488</u>	<u>83</u>	<u>94,571</u>
At 31 December 2018	<u>94,488</u>	<u>83</u>	<u>94,571</u>
Net book value			
At 31 December 2018	<u>1,572,943</u>	<u>917</u>	<u>1,573,860</u>

6 Debtors	2018
	£
Accrued Income	57,910
Prepaid expenses	16,975
VAT debtors	21,813
	<u>96,698</u>

7 Creditors: amounts falling due within one year	2018
	£
Loans	143,614
Trade creditors	6,121
Accruals	<u>10,401</u>
	<u>160,136</u>

During 2018 the society received 7 short term loans. They all have the same terms apart from one which was repaid in full during the period. The interest is charged at 5% annual simple interest on the outstanding balance. The loan agreement has a minimum term of 12 months and a maximum term of 15 years. The balance outstanding at the year end is £108,965.

Ynni Teg Cyfyngedig
Notes to the Accounts
for the period from 1 July 2017 to 31 December 2018

8 Creditors: amounts falling due after one year **2018**
£

Loans	<u>1,289,298</u>
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9 Loans **2018**
£

Creditors include:

Instalments falling due for payment in one year or less	34,648
Instalments falling due for payment between one and five years	165,193
Instalments falling due for payment after more than five years	<u>1,124,105</u>
	<u>1,323,946</u>

The Society entered into a loan agreement with Finance Wales during the period. Interest is charged at 7% annual simple interest on the outstanding balance. The loan agreement is for 20 years ending in 2037.

Ynni Teg Cyfyngedig
Detailed Revenue Account
for the period from 1 July 2017 to 31 December 2018

	2018
	£
Sales	
Feed in tariff	157,454
Electricity sales	126,068
Embedded Benefits	25,253
	<u>308,775</u>
 Cost of sales	
Metering	638
Input electric	1,952
Export admin charge	874
	<u>3,464</u>
 Operating expenses	
Travel and meeting costs	281
Rent	22,590
Administrative charge	10,138
Insurance	5,343
Postage	6
Website costs	635
Subscriptions	2,640
Bank charges	1,454
Repairs and maintenance	38,112
Depreciation	94,488
Community Fund	15,000
Sundry expenses	492
Solicitors fees	2,777
Consultancy fees	16,828
Advertising and PR	33,402
Lease premium	83
	<u>244,269</u>